

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 160 - HB 192

February 25, 2021

SUMMARY OF BILL: Decreases, from 1.125 percent to 0.5 percent, the amount of local options sales tax collections allocated to the Department of Revenue (DOR) as an administrative fee for remittance of the local options sales tax.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue - \$20,186,500/FY21-22 and Subsequent Years/
Department of Revenue**

Increase Local Revenue - \$20,186,500/FY21-22 and Subsequent Years

Assumptions:

- Local options sales tax collections in FY19-20 were \$2,957,468,149.
- It is estimated that sales taxes will increase by 5.08 percent in FY20-21 and 3.93 percent in FY21-22 for a total local options sales tax collection of \$3,229,840,437 [$\$2,957,468,149 \times (1 + 5.08\%) \times (1 + 3.93\%)$].
- Beginning in FY21-22, the recurring decrease in state revenue and corresponding increase in local revenue is estimated to be \$20,186,503 [$(\$3,229,840,437 \times 1.125\%) - (\$3,229,840,437 \times 0.5\%)$].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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